# VALUATION OF UN REGISTERED COMMUNITY LAND IN KENYA – ADDRESSING THE FUNDAMENTALS

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The subject of valuation of unregistered interests in land is increasingly attracting the attention of Valuers and Land Managers globally. The realization that value of property is not necessarily created by formal registration and that the legitimacy and increasingly the legality of property rights is not conferred by registration has made inquiry into the approaches for valuation of such property critical. Property rights are considered a key element of human rights and persons are not to be deprived of their property rights arbitrarily either by the state or other parties. In cases where private property is required for public purposes or in public interest then the owners / holders of the rights must be compensated in a just and prompt manner. It is therefore important that the value of unregistered property is assessed in ways that are credible, objective and just in the interest of supporting voluntary or involuntary transactions.

In Kenya Community land ownership is recognized Constitutionally and has equal status with private and public land ownership. Nonregistration of community land rights does not make them illegal or illegitimate. The Community Land Act of 2016 and Community Land Regulations 2018 were enacted by parliament to provide a framework for registration and management of Community Land. Despite the passing of these laws and regulations over sixty percent of land in Kenya is still unregistered and falls in the category of Community Land. Public and private investments continue to take place over unregistered community land.

The questions as to how the subject of valuation is ascertained; where and how the information on transactions; proprietorship and other relevant aspects is gathered, analyzed and used to derive valuation amounts; The methods employed and their appropriateness and the challenges encountered is the subject of this paper.

**Keywords:** Un registered, Community, Land, Valuation, Methods

### 1.0 Introduction and Background Information

Valuation of property has generally focused on registered lands. It has not sufficiently supported the unregistered land rights and claims. There is dire need for Governments and individuals to be able to value unregistered lands to support sustainable development<sup>10</sup>.

Land in Kenya is classified as public, community or private<sup>11</sup>. It is estimated that Community Land in Kenya comprises more than sixty percent of the total Land mass. Most of this Land is still un registered<sup>12</sup>. The Land Act 2012 is the main framework governing administration and management of public and private land while community land governance is addressed under the Community Land Act 2016. Community land vests in and is held on the basis of ethnicity, culture or similar community of interest. It includes land held by group representatives; community forests, grazing areas, shrines, land traditionally held by hunter gatherer communities; land lawfully held as trust land by County Governments and any land lawfully declared to be community land by law<sup>13</sup>.

The Constitution of Kenya protects everyone's right to own property anywhere in Kenya either individually or in association without any discrimination. It is provided that the state shall not deprive any person of property or interest in property unless it is in accordance with the Constitution and established statutory law<sup>14</sup>. In cases where the land is compulsorily acquired for public purpose or in public interest; prompt payment of full and just compensation is required.

Statutory provisions have been made under the Land Act, 2012 to guide the process of determining and making compensation for compulsorily acquired land rights. In addition subsidiary legislation to guide assessment

<sup>&</sup>lt;sup>10</sup> UN Habitat, 2018, Valuation of Un registered Lands- A policy Guide, Nairobi, Kenya

Government of Kenya, 2010 ,The Constitution of Kenya Art.61 , Government Printer, Nairobi

<sup>&</sup>lt;sup>12</sup> Government of Kenya, 2009, Sessional Paper No3.of 2009 on National Land Policy, Government Printer, Nairobi

Government of Kenya, 2010, The Constitution of Kenya Art. 63, Government Printer, Nairobi

<sup>&</sup>lt;sup>14</sup> Government of Kenya, 2010, The Constitution of Kenya Art. 40, Government Printer, Nairobi

for just compensation (Valuation) in form of Rules<sup>15</sup> have been developed by the National Land Commission (NLC), and approved by parliament. Recently the Land Value Index Laws (Amendment) Bill, 2018 was passed by both the National Assembly and the Senate. This Bill is aimed at amending various sections of the Land Act 2012, the Land Registration Act 2012, Prevention, Protection and Assistance of Internally Displaced Persons and Affected Communities Act and provide for Land Value Index and compulsory acquisition.

With the foregoing it is necessary to review how un registered community land is valued in Kenya within the existing policy and legal and practice frameworks.

#### 2.0 The Problem

There are increasing concerns by communities and stakeholders that the value of un registered Community land has often been understated and that government policies and practices relating to acquisition have often not displayed the full appreciation of uses of such land. Community land uses like pastoralism appear to have been routinely undervalued thus allowing the promulgation of inappropriate policies<sup>16</sup>. Government statistics often display undervaluation of pastoralism and related land uses thus contributing to increased incidences of poverty and environmental degradation.<sup>17</sup> Use of government generated indices based on statistics and valuation models that do not capture the full value of un registered community lands and their uses poses the risk of violating the Constitutional protection of property rights .

#### 3.0 Objectives

This paper seeks to;

- Review legal and policy frameworks, practices and methodologies relating to and affecting valuation of unregistered community land in Kenya.
- ii) Identify gaps and challenges that adversely affect the determination of just and fair values for un registered community land for compulsory acquisition purposes as well as voluntary acquisitions

<sup>&</sup>lt;sup>15</sup> Government of Kenya, 2017, Land (Assessment of Just Compensation) Rules, Government Printer, Nairobi

<sup>&</sup>lt;sup>16</sup> Davies, 2007, Total Economic Valuation, WISP

<sup>&</sup>lt;sup>17</sup> COMESA,2010, Assessing Total Economic Value of Pastoralism, COMESA

iii) Make recommendations to address the gaps and challenges.

### 4.0 Methodology

The objectives of this paper have been addressed following a survey of relevant literature. The results of the literature survey are presented and discussed in a thematic format.

#### 5.0 Discussions

# 5.1 Valuation Practice in Kenya

Valuation practice in Kenya is governed by the Valuers Act Cap 532, which sets up the Valuers Registration Board that regulates the practice activities and conduct of all Valuers. For registration by the Board one is required to be a full member of the Institution of Surveyors of Kenya (ISK) Chapter of Valuation and Estate Management Surveyors.

Upon registration and obtaining the license to practice Valuers are required to follow the various foundational principles set by the Constitution of Kenya, relevant statutes, regulations, guidelines and Standards set by ISK and the International Valuation Standards Council (IVSC).

Among the notable statutes governing valuation is the Valuation for Rating Act Cap 266 and the Rating Act Cap 267 which deals with valuation and administration of property rates. The Land Act No.6 of 2012 makes provisions for the National Land Commission (NLC) to make Rules to govern valuation (Assessment for Just Compensation) for compulsory acquisition purposes following repeal of Land Acquisition Act Cap 295. NLC in exercise of powers thus granted, made and published in the Gazette the Land (Assessment of Just Compensation) Rules 2017.

#### 5.2 Valuation Methods

# 5.2. 1 Property Valuation Approaches and Methods

The Valuers in Kenya Subscribe to the guidelines set under the ISK Valuers and Estate Management Surveyors Handbook which prescribe the concepts, approaches and bases for undertaking valuation in Kenya and the International Valuation Standards (IVS) set by the IVSC. The standards, guidelines principles and concepts therein serve the purpose of promoting consistency and transparency in valuation practice.

The standards<sup>18</sup> prescribe three Approaches that underpin valuation methods. These Approaches are;

- iv) Market Approach
- v) Income Approach
- vi) Cost Approach

The market approach derives the value of an asset by comparing the asset with comparable (similar) assets for which sale price information is available. It assumes all assets are sold and bought in an open market. The Income approach establishes an indication of value by converting future cash flow from an asset to a single present value taking account of time value for money. It assumes assets are held for investment purposes.

The cost approach seeks to determine the value of an asset using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction in normal circumstances.

Based on the foundations of these approaches the following valuation methods have been variably applied in the valuation of assets in Kenya.

- (i) Direct Sales Comparison (Comparable) Method
- (ii) Income Capitalization (Investment) Method
- (iii) Profits (Accounts) Method
- (iv) Replacement Cost Method
- (v) Reproduction Cost Method
- (vi) Summation (Contractors) Method

It should be observed that the purpose of the valuation assignment and the nature of the subject asset determine the method that is adopted for valuation. Valuers in Kenya generally apply the above methods depending on the instructions of the client and in line with the standards<sup>19</sup>. It should however be noted that the standards acknowledge and allow for some valuation assignments to be guided by laws of the jurisdiction where the valuation assignment is being undertaken. In Kenya Valuation for compulsory acquisition, Valuation for rating and Valuation for Stamp Duty

<sup>&</sup>lt;sup>18</sup> IVSC, 2017, International Valuation Standards, IVSC, London

<sup>&</sup>lt;sup>19</sup> IVSC, 2017, International Valuation Standards, IVSC, London

purposes are for instance provided for by specific statutes and regulations under those statutes.

The methods outlined above are normally applied to conventional real estate. The valuation practice seldom involves valuation of un registered community lands particularly those under pastoralism except when valuations have been sanctioned by statutes (law) or development project financiers such as World Bank and International Finance Corporation (IFC). In the instances where such valuations have been undertaken, the methodologies adopted have been guided by internal institutional standards and guidelines. The IFC for instance requires compliance with standard Five (5) that addresses land acquisition and involuntary resettlements occasioned by projects<sup>20</sup>. This standard allows for application of livelihood loss valuations which are not accounted for in the convectional real estate valuation methods discussed above. The closest that Valuers in Kenya have gone in undertaking valuations related to activities closer to un registered Community lands is when dealing with valuation of Ranches. In Valuation of Ranches the methods outlined above have been applied depending on the purposes and scope of valuation. It is worth noting that most private ranches have formal enterprise management approaches with elaborate information management systems that make analysis of cash flows and costs relatively empirical and application of market, income and cost based approaches convenient. The valuations are largely based on carrying capacities of the land in terms of livestock production or rents and income streams from the production activities undertaken in the ranches.

## 5.2.2. Other Approaches to Valuation

Besides the property valuation methods discussed above, there are other approaches to valuation that have developed from environmental management, livelihood safeguards and resource management concepts. These approaches include Total Economic Valuation (TEV), Total Ecosystem Services Valuation, Contingent Valuation Method (CMV) based on willingness to pay method (WTP) or Willingness To Accept (WTA), Hedonic Pricing Method, and Cost Benefit Studies.

As was cited earlier the purpose determines the approach to valuation. The Environmental management based methods are geared to supporting

<sup>&</sup>lt;sup>20</sup>International Finance Corporation, 2012, Performance Standard 5, Land Acquisition and Involuntary resettlement

conservation decisions and policies. Their adequacy or lack of it has been discussed mainly in that context and not as a means of deriving equity following involuntary acquisition. The Contingent Valuation models have been criticized for reliance on hypothetical scenarios rather than real choices and the disparities between values for the same good arrived at by use of WTP and WTA<sup>21</sup>. Travel Cost and Hedonic pricing also suffer from limitations where there are no behavioral trails or observed market transactions<sup>22</sup>. The ecosystem services valuation approaches are limited in application given that ecosystems services may not be quantified on a per acres basis as land managers would prefer<sup>23</sup>. Despite the limitations outlined with respect to environmental management oriented approaches, they offer logical basis for estimating the value of public or communal goods and services not traded in the market which can be applied in evaluating policy and management options.

The Total Economic Valuation (TEV) framework seeks to capture the full range of costs and benefits emanating from an activity. It aims at identifying, quantifying and aggregating all values associated with an activity, thus capturing a whole range of direct and indirect values whether measureable or not<sup>24</sup>. This framework provides a sound conceptual basis of estimating the contribution of an activity with multiple values that cannot effectively be captured by relying only on official government statistics and market based methods. It has effectively been applied to estimate the value of pastoralism in Kenya with the results that indicate significant variation from official government statistics<sup>25</sup>. The approach though offering a systematic way of identifying direct and indirect values that are either measurable or not measurable does not offer a site specific method that gives a per acre estimate of value but rather gives a system wide valuation of a production activity. It is more suited at supporting macro- economic and policy decision making. It nonetheless provides a sound basis for capturing the system wide contribution (value) of a non-static enterprise like pastoralism that is practiced on un registered community lands and would provide valuable inputs that can supplement the convectional

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<sup>&</sup>lt;sup>21</sup> Andrea B., 2004, Assessment of the Application of Contingent Valuation Theory to Bio-Sequestered Carbon

<sup>&</sup>lt;sup>22</sup> Allen T.L, Etal., 2013, Potential for Valuing Rangeland Ecosystem Services on Public Rangelands

<sup>&</sup>lt;sup>23</sup> Ibid.

<sup>&</sup>lt;sup>24</sup> Davies, 2007, Total Economic Valuation, WISP

<sup>&</sup>lt;sup>25</sup> Ibid.

property valuation methods in building land value indices for un registered community lands.

As earlier indicated valuation for compulsory land acquisition is guided by statutes. Adoption of any new approaches whether from a property background, livelihood safeguards or environmental management will require legal and policy changes. The section below discusses the legal provisions that guide the approaches and methods for carrying out valuation for compulsory acquisition of property in Kenya.

# **5.3.0** Valuation of Property for Compulsory Acquisition Purposes in Kenya

Valuation of property for compulsory acquisition purposes is necessitated by the provisions of Art 40(3) (b) of the Constitution<sup>26</sup> which allows the state to acquire property, interests and rights over property in accordance with the provisions of any Act of Parliament for public purpose or in public interest provided Prompt Payment in Full of Just Compensation is made to the affected person. The determination of the 'Just Payment' for the property right or interest becomes the subject of valuation. Art. 40(4) of the Constitution allows for provisions to be made for compensation to be paid to occupants in good faith not holding title to land where land is acquired for public purposes or in public interest. Assessment of Just Payment to such occupants in good faith is therefore a subject of valuation.

Pursuant to the Constitutional provisions the Land Act, 2012 has made provisions to guide the process of Compulsory acquisition of land and the attendant processes. The Act<sup>27</sup> outlines public purposes to include roads, canals, highways, railways, bridges, wharves and airports; public buildings including schools, libraries, hospitals, factories, religious institutions and public housing; public utilities for water, sewage, electricity, gas, communication, irrigation and drainage, dams and reservoirs; public parks, playgrounds, gardens, sports facilities and cemeteries; security and defense installations; settlement of squatters, the poor and landless, and the internally displaced persons; and any other analogous public purpose. Land

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<sup>&</sup>lt;sup>26</sup> Government of Kenya, 2010, The Constitution of Kenya Art. 40, Government Printer, Nairobi

<sup>&</sup>lt;sup>27</sup> Government of Kenya, 2012, Land Act no. 6 of 2012 S. 3, G Government Printer, Nairobi

and property compulsorily acquired for these purposes is therefore what constitutes the subject of valuation.

Section 111 (1) of the Land Act provides that should land be acquired compulsorily, just compensation shall be paid promptly in full to all persons whose interest in land have been determined. The National Land Commission is given powers under section 111(2) of the Land Act to make rules to regulate the assessment of just compensation. The National Land Commission in exercising these powers made and published in the Kenya Gazette the Land (Assessment for Just Compensation) Rules 2017.

These Rules<sup>28</sup> give the procedure and considerations for valuation of property and interests in land for purposes of payment of compensation to the affected persons.

The rules interpret Market Value to mean the value of the land at the date of publication in the Gazette of the notice of intention to acquire the land. The Rules provide that the commission shall consider the following factors when assessing compensation;

- (i) the market value of the land
- (ii) damage sustained or likely to be sustained by persons interested at the time of the Commission's taking possession of the land by reason of severing the land from his or her other land
- (iii) damage sustained or likely to be sustained by persons interested at the time of the Commission's taking possession of the land by reason of the acquisition injuriously affecting his or her other property, whether moveable or immovable in any other manner or his or her actual earnings;
- (iv) reasonable expenses incidental to the relocation any of the persons interested or who will be compelled to change residence or place of business as a consequence of the acquisition;
- (v) damage genuinely resulting from diminution of the profits of the land between the date of publication in the Gazette of the notice of

<sup>&</sup>lt;sup>28</sup> Government of Kenya, 2017, Land ( Assessment of Just Compensation) Rules, Government Printer, Nairobi

intention to acquire the land and the date the Commission takes possession of the land.29

In addition to the factors enumerated above, the commission is required to determine the award taking into consideration the effect of conditions of the title or law which regulates the use of the subject property.

Increases in the market value of the subject property are disregarded if the increases arise from;

- (i) Improvements by the owner after the date of the publication of the notice of intention to acquire the land.
- (ii) Use of land contrary to the law or detrimental to the health of the occupiers of the premises or public health.

The Rules direct that the following shall not be considered in the determination of compensation:

- a) The degree of urgency which has led to the acquisition.
- b) Any disinclination of the person's interest to part with the land.
- c) Damages sustained by the claimant which will not represent a good cause of action.
- d) Damages which are likely to be caused to the land after the publication of the acquisition notice or as a consequence of the future land use.
- e) Increases in land value likely to accrue from its future use after acquisition.
- f) Any development at the time of acquisition notice, unless these improvements were necessary for maintaining the land.<sup>30</sup>

In addition to the amounts determined above the Rules provide that the commission shall add a sum of fifteen percent of the market value of the amount of compensation as compensation for disturbance.

<sup>&</sup>lt;sup>29</sup> Ihid

<sup>&</sup>lt;sup>30</sup> Government of Kenya, 2017, Land (Assessment of Just Compensation) Rules, Government Printer, Nairobi

From the foregoing outline of the considerations in valuation, it is clear that the market value of the affected property, injurious and severance effects on the remaining property, costs of relocation, loss of profits plus the statutory disturbance amount form the core contents of compensation payment amount.

These considerations in valuation are bound to be significantly affected by the changes introduced in the Land Value Index (Amendment) Laws bill 2018 that has been debated and passed both by the Senate and the National Assembly once assent by the president. The bill amends section 107 of the Land Act 2012 and creates the Land Value Index generated by the National and County Governments as the foundational basis for determining compensation for Freehold and Community Land<sup>31</sup>. This by implication makes the Government the regulator of value though; property prices and input costs are not based on any Government regulations. The proposed law gives no room for participation of stakeholders including the private practitioners, professional bodies, researchers and public in the process of making the index.

The Bill gives the main inputs to be used in computing the index as declared value for payment of rates, rents and stamp duty. It further requires the affected persons to provide tax returns as proof of existence of profits from the subject property<sup>32</sup>. These requirements are not practical when dealing with unregistered community lands in Kenya given that they are not rateable; are hardly transacted in property markets and therefore no stamp duty payment or rents are declared. The tax return requirements totally disregard the subsistence and livelihood aspects of the land use activities over most unregistered community lands.

# 5.4.0 Gaps and challenges in valuation of unregistered community lands for compulsorily acquisition purposes

The statutory considerations and processes for valuation and determination of just compensation amounts outlined above presume the following;

(i) Existence of a formal property market where information about transactions is readily available

<sup>&</sup>lt;sup>31</sup> GOK, 2018, Land Value Index (Amendment)Laws Bill, Government Printer, Nairobi

<sup>&</sup>lt;sup>32</sup> Ibid.

- (ii) That Market Value approach is conclusive and procures Just amounts for compensation purposes
- (iii) Existence of land use plans and zoning regulations governing land uses
- (iv) There exists an up to date formal cadaster where subject properties are surveyed and registered.
- (v) Individual person's interests in property are registered and can be quantified or shares established.
- (vi) Permanency of settlement of Affected Persons
- (vii) That formal Government statistics and records are up to date, complete and proof of just values

These assumptions do not always hold in unregistered community lands that constitutes more than sixty percent of Kenya's land mass<sup>33</sup>. Transactions over this type of Land are not supported by the National Cadaster and are not processed through the Land Registries. No formal information repositories or indices exist. Land rights are not recorded anywhere but known within the communities. Most rights are communal and land resources are thus shared. The Land uses are regulated through customs and norms. Formal planning rules, regulations and zoning with the attendant controls are not applicable. A majority of people in these regions led a nomadic way of life and therefore do not have permanent residences. Formal property markets do not therefore exist in the regions where land is held under this form of tenure.

The fact that no formal market transactions have been registered over these types of land presents challenges as to how open market values are established. The valuation considerations provided for under the Land Act of 2012 and the Land (Assessment for Just Compensation) Rules 2017 and the Land Value Index (Amendment) Laws Bill 2018 therefore face limitations in practical application over these types of property. This in turn poses challenges as to how just and fair compensation is arrived at given that the statutory methodologies are based on assumptions of existence of a formal property market. The statutory provisions cover physical relocation and appear not to address economic displacement of persons with un registered

<sup>&</sup>lt;sup>33</sup> Government of Kenya, 2009, Sessional Paper No3.of 2009 on National Land Policy, Government Printer, Nairobi

property rights. Loss of profits addressed under the considerations seems to only regard property owners with enterprises traceable to the particular parcel of land for which tax returns have been made. This appears to exclude the non - static enterprises reflected in nomadic lifestyles of pastoralist communities that occupy most un registered community lands in Kenya. It further ignores the loss of livelihoods and subsistence values associated with production systems established over these types of Lands. The valuation approach prescribed ignores other resource values save for those reflected in a property market set up. Loss of medicinal plants, cultural sites, and critical ecological services is not regarded.

The factors outlined under the Rules do not address how public assets and communal facilities are to be valued. Assets like schools, cattle dips, social halls, boreholes, animal watering points, communal tanks, water supply systems, animal holding grounds, shrines, and other cultural assets are not traded in any market. Their value cannot be established using the market approach. These facilities do no generate direct incomes and therefore income capitalization or profits methods would not apply in determination of their value. The consideration and approach provided by the Rules and the Statute are blind to methodologies suitable for valuation of Special use facilities.

The question of how interests of occupants of land in good faith will be addressed in assessment of just compensation is not overtly addressed under the Land Act 2012, or in the Rules. The Land Value Index (Amendment) Laws Bill has attempted to give statutory guidance by requiring persons to prove that they have been in permanent occupation of the subject land for at least twelve years continuously<sup>34</sup>. This provision appears to expose those who engage in nomadic pastoralism to likelihood of losing compensation if their land is unregistered and without title.

The public purposes enumerated under the Land Act tend to address instances where property rights and interests are permanently extinguished or where the purpose purely involves public entities or authorities. The scenarios where economic or physical displacements occur during implementation of projects where private investors in public related projects like wind power generation deal directly with communities is not

<sup>&</sup>lt;sup>34</sup> Government of Kenya, 2018, Land Value Index (Amendment) Laws Bill, Government Printer, Nairobi

addressed. Just Compensation for displacements that are brought forth by such investments need to be addressed in policy and statute.

The assumptions that Government statistics and records are complete, up to date and are proof of just values is misleading. Valuation rolls used for property rating are seldom updated. There are no valuation rolls covering un registered community land in Kenya. Even in the case of areas where land is registered and under private ownership regimes, the valuation for rates is based on un improved site values and does not reflect full capital values.

The requirements that indices solely be developed by the National and County Government excludes public participation and also locks out contribution from expertise in research institutions, industry practitioners and professional bodies who at times are in possession of valid and current relevant information beyond what is in official Government records. The methodology proposed for the indices is not practical in the case of un registered community lands that have multiple values not identifiable by use of market valuation approaches or convectional property valuation methods best suited for land administered under modern cadastral systems and convectional tenure systems.

## 6.0 Way Forward

Further to the foregoing there is need for changes to be made to the legal, policy and practice guidelines relating to valuation land for compulsory and voluntary acquisition of community land in Kenya to incorporate the following recommendations;

- (i) Include other basis for valuation apart from market value such as equitable value, and social value to account for instances where the affected assets are not traded in the property market or where no formal property market exists
- (ii) Provide for consideration of other approaches besides market value, to include income, replacement cost, restoration cost, Indirect values, cultural factors and specify circumstances under which departures would be allowed to accommodate the diverse nature of property interests and rights.

- (iii) Adopt existing use as a premise of value where Planning rules, regulations and controls do not exist and where application of strict and highest and best use principle is not possible.
- (iv) Allow for identification and quantification of rights and interests not recorded under the formal registration and cadastral systems to form the subject of valuation in the cases of unregistered community land.
- (v) Include valuation of communal, public and social assets that may not be attributed to a private person but a community as a unit.
- (vi) Recognize non static enterprises such as those of nomadic pastoralists and adopt concepts of Total Economic Valuation with requisite adaptations in computing Land Value Index for un registered community lands where they are practiced.
- (vii) Allow for use of social information directly collected from the communities and other stakeholders in building land value indices provided reliability and validity criteria is established.
- (viii) Make the process of formulating the land value index participatory inclusive of inputs from professional associations, researchers, agencies managing production systems on un registered community land.

# 7.0 Conclusion

Kenya has put in place a legal and policy framework that recognizes and protects all types of property rights. Payment for prompt and just compensation upon expropriation of property rights is safeguarded by the Constitution.

The Current Valuation practice in Kenya is guided by Kenyan statutes and the International Valuation Standards developed by International Valuation Standards Council. The methods employed in valuation are mainly those applied in convectional property valuations with the specific legal adaptations for subjects addressed by the laws of Kenya. The most applied are Market, Income and Cost based approaches. There exist other methods that have addressed the valuation of environmental resources, and livelihood systems. These include Contingent valuation, Hedonic pricing; Total Ecosystem Services Valuation; Total Economic Valuation among others. These methods have registered limited official and practical application in valuation of property and assets in Kenya.

The valuation methods adopted depends on purpose. The convectional property valuation methods are limited in valuation of un registered community lands since they seem to disregard indirect and system wide values and seem to focus on productivity and substitution principles that are backed by empirical official information characteristically obtained from static convectional enterprises. The other methods seem to be system wide focused and geared towards informing specific policy and management decisions though they offer useful insights towards identifying indirect values and values for non-market goods and services.

There are gaps and challenges relating to the statutory provisions and rules on valuation for compulsory acquisition relating to dependency on only the market approach as a basis of valuation; The non-recognition of non-static enterprises like nomadic pastoralism poses the risks of undervaluation and breaches of the constitutional protection of property. Insistence on use of only Government records in making of the Land Value Index without input from the public, practitioners, researchers and professional bodies poses the risk of use of outdated and incomplete information that will lead to under valuations especially for un registered community land.

There is need for changes to be made to the legal, policy and practice guidelines relating to valuation land for compulsory and voluntary acquisition of community land in Kenya to allow for use of non-market based approaches and allow for participatory valuation approaches that appreciate communal tenure and land uses; cater for special uses and values and allow for use of information generated from production and livelihood systems as opposed to exclusive use of information from convectional cadastral and government statistics and records .

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